10/24/86 A 0400-1

The Aluminum Situation

Department of Economics and Statistics **October 1986**

Shipments Up 2.0 Percent in Eight Months

Net shipments for eight months of 1986, at an estimated 10,505 million pounds, were up 2.0 percent from the first eight months of 1985 total of 10,303 million pounds.

Domestic shipments of 9,917 million pounds were up 5.3 percent from the 1985 eight month total of 9,415 million pounds.

Imports of ingot and mill products were up 51.5 percent and exports were down 33.8 percent.

Thru August 1986

	8 Mos. 1986	8 Mos. 1985	% Change
Mill Products	8,455	8,056	+ 4.9%
Ingot	2,050	2,247	- 8.8%
Total	10,505	10,303	+ 2.0%
Less Exports	-587	-888	-33.8%
Domestic Total	9,917	9,415	+ 5.3%

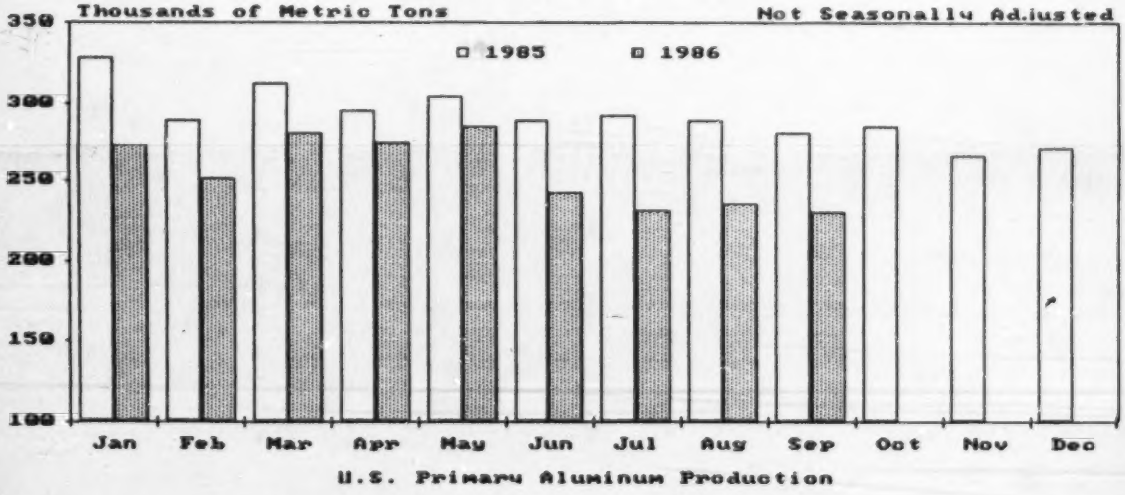
Millions of Pounds
Source: Latest two months estimated by the Aluminum Association.
Previous data-Bureau of the Census.

Production Rate Down 17.7 Percent

U.S. primary aluminum production averaged 7,688 metric tons daily during September 1986, compared with and average 9,344 metric tons per day in September 1985.

The annual rate of production in September 1986 was 2,805,998 metric tons, compared to 2,769,526 metric tons in August 1986. The September 1985 annual rate was 3,410,728 metric tons. Actual production in September 1986 was 230,630 metric tons.

Primary Production



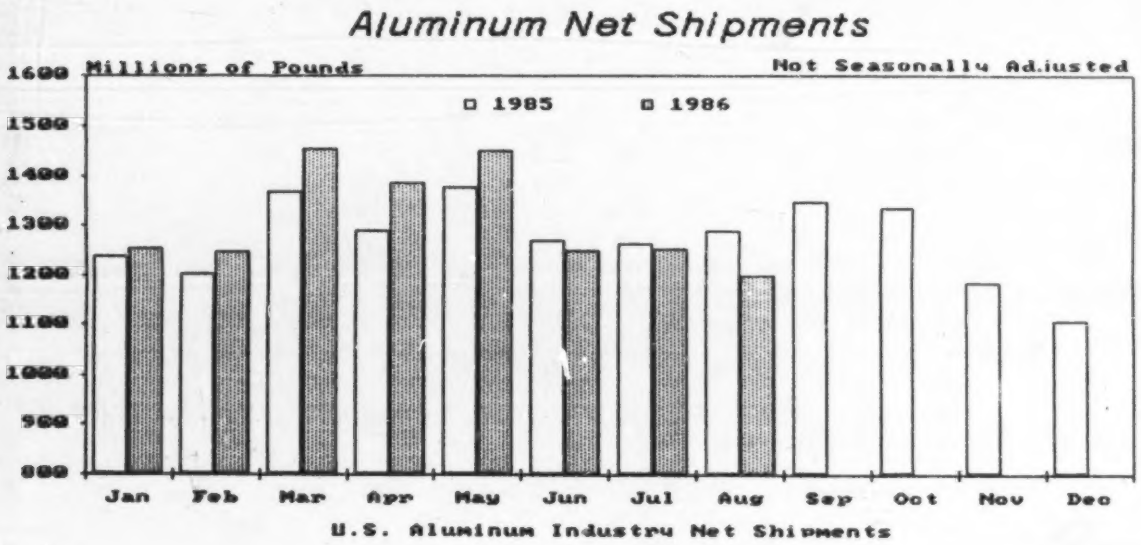
U.S. Primary Aluminum Production

Aluminum Association total industry estimates are based on information reported by members, which is aggregated by the Association and then expanded to total industry data utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

The Aluminum Situation

Net Shipments Up 2.0 Percent

Estimated shipments of 10,505 million pounds for eight months of 1986 were up 2.0 percent from the 1985 eight month total of 10,303 million pounds. Exports were down 33.8 percent so domestic shipments showed a 5.3 percent increase over a year ago.



Net Shipments

(Millions of Pounds)

	1986 Aug.	1985 Aug.	1986 8 Mos.	1985 8 Mos.	% Change YTD 1986 vs. 1985
Sheet	507.0	555.2	4,413.8	4,199.9	+ 5.1
Plate	17.0	21.2	168.3	173.9	- 3.2
Foil	60.0	72.3	571.6	543.8	+ 5.1
Rod, Bar & Wire	24.0	22.5	229.3	203.9	+12.5
Electrical Conductor	58.0	55.8	434.0	472.8	- 8.2
Extruded Shapes & Tube**	200.0	223.3	1,817.5	1,750.1	+ 3.9
Powder & Paste	8.0	8.7	68.4	74.4	- 8.1
Forgings & Impacts	11.0	11.9	96.8	100.2	- 3.4
Net Imports of Mill Products (Total)(a)	80.0	57.3	655.2	537.3	+21.9
Total Mill Products	965.0	1,028.2	8,454.9	8,056.3	+ 4.9
Ingot(b)	236.0	263.4	2,049.7	2,246.6	- 8.8
TOTAL INDUSTRY SHIPMENTS	1,201.0	1,291.6	10,504.6	10,302.9	+ 2.0
Exports	-65.5	-95.1	-587.3	-887.6	-33.8
TOTAL DOMESTIC SHIPMENTS	1,135.5	1,196.5	9,917.3	9,415.3	+ 5.3

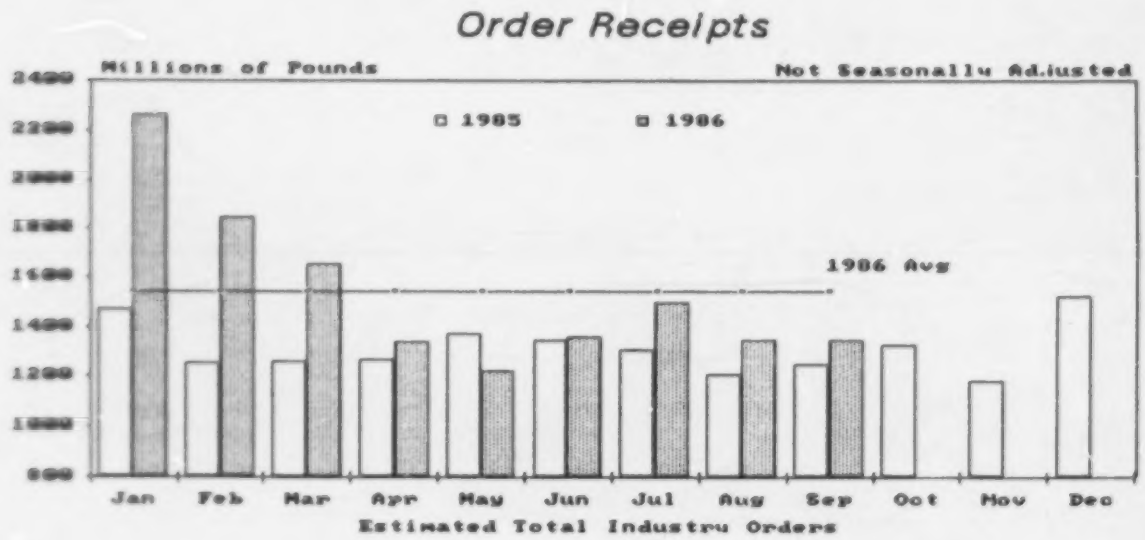
** January-May 1985 shapes and tubes increased to account for unsourced Census revision to total mill products.

*Latest two months estimated by the Aluminum Association.
Previous data-Bureau of the Census and Department of Commerce.
(a) Not included in product data above.
(b) Sufficient data not available for reliable estimate. Implicit in this item is a 10 to 25% variation.

Commencing January 1985, Census reports have changed product categories as follows: Rod, Bar and Wire now includes Extruded Rod and Bar; the former Extruded Products now only consists of Shapes and Pipe and Tube; and Welded Tube has been dropped.

Net New Orders Up 18.2 Percent

Estimated net new order receipts for nine months of 1986 at 13,858 million pounds were up 18.2 percent over the first nine months of 1985 total of 11,729 million pounds September orders of 1,345 million pounds were 7.7 percent above September a year ago.



Order Receipts

(Millions of Pounds)

	1986 Sep.	1985 Sep.	1986 9 mos.	1985 9 mos.	% Change YTD 1986 vs. 1985
Can Stock(a)	209.9	292.4	2,761.3	2,499.6	+10.5
Sheet & Plate, Other	284.0	287.2	2,980.9	3,058.8	- 2.5
Foil	84.4	69.3	669.6	553.2	+21.0
Rod, Bar & Wire	26.0	26.3	245.3	151.6	+61.8
Electrical Conductor	58.1	45.8	515.0	531.2	- 3.0
Extruded Products	229.6	196.8	2,151.1	1,885.3	+14.1
Powder & Paste	6.0	12.5	61.7	94.5	-34.7
Forgings & Impacts	9.1	8.1	82.8	87.8	- 5.7
Domestic Mill Products	907.1	938.4	9,467.7	8,862.0	+ 6.8
Ingot (Total)	372.9	225.4	3,795.5	2,104.4	+80.4
TOTAL DOMESTIC	1,280.0	1,163.8	13,263.2	10,966.4	+20.9
Exports	64.9	85.0	594.8	762.7	-22.0
TOTAL ALL PRODUCTS	1,344.9	1,248.8	13,858.0	11,729.1	+18.2

Source: The Association estimates total industry orders (including orders for imports), based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available upon request.
(a) Domestic only. Orders for imports of can stock are included in Sheet and Plate, Other.
*Latest month.

August 1986 Inventories Decreased 3 Million Pounds

Producer inventories decreased an estimated 3 million pounds in August 1986 from a revised July level of 5,063 million pounds.

Month-End Aluminum Inventories
By Type of Producer
Figures in Millions of Pounds

Month	Total*	Integrated	Smelters	Non-Integrated
Dec 81	6,607	5,542	266	798
Dec 82	6,180	5,224	216	740
Dec 83	4,994	3,979	163	853
Dec 84	5,850	4,692	229	929

Month	Total*	Ingot	Scrap	All Other
Jan 86	5,161	2,167	561	2,433
Feb 86	5,158	2,038	562	2,558
Mar 86	5,054	1,865	521	2,668
Apr 86	5,097	1,795	560	2,743
May 86	5,045	1,840	591	2,614
Jun 86	5,043r	1,959r	614r	2,471
Jul 86	5,063r	1,988r	925r	2,449r
Aug 86	5,060	2,075	615	2,370

*Latest two months estimated by Aluminum Association. Previous data-Bureau of the Census. Inventories include ingot, mill products and scrap.
Early estimates are available approximately the 5th working day each month; however, there is a charge for this special service. Contact the Aluminum Association Department of Economics and Statistics for details.

Imports and Exports

(Millions of Pounds)

		1986 Aug.	1985 Aug.	1986 8 Mos.	1985 8 Mos.	% Change 1986 vs. 1985
Imports	Mill Products	89.2	79.8	747.4	677.6	+ 10.3
	Ingot	271.8	160.0	2,157.0	1,239.6	+ 74.0
	Total	361.0	239.8	2,904.4	1,917.2	+ 51.5
	Scrap (+ dross)	35.2	19.5	240.4	163.4	+ 47.1
	Grand Total	396.2	259.3	3,144.8	2,080.6	+ 51.1
Exports	Mill Products	31.2	40.3	293.6	297.1	- 1.2
	Ingot	34.3	54.8	293.7	590.5	- 50.3
	Total	65.5	95.1	587.3	887.6	- 33.8
	Scrap	75.8	79.2	513.0	584.3	- 12.2
	Grand Total	141.3	174.3	1,100.3	1,471.9	- 25.2
Net Imports		254.9	85.0	2,044.5	608.7	+235.9

Source: Department of Commerce, Industry Trade Administration and Bureau of the Census. Excludes backed foil.

George Day Retires After 13 Years With The Aluminum Association

George Van Buren Day, Vice President, Economics and Statistics, retired on September 30, 1986 from the Aluminum Association. Mr Day spent a total of 42 years in the Aluminum industry and will be missed by his many friends. Among his many accomplishments was the development of The Aluminum Situation in 1979. His duties will be assumed by Harriet Rusk, Director of Statistical Services.